

Illinois Commerce Commission
SBC/Ameritech Illinois Merger, Docket 98-0555
Performance Benchmarks Collaborative, Condition 30
Final Meeting Minutes From 8/16-17/2000
Reviewed and Approved 9/20/2000

The eighth Illinois Performance Measure Collaborative was held on August 16 and 17, 2000. Day 1 was held at the State of Illinois Building, Room N-505. Day 2 was held at the James R. Thompson Center (100 W. Randolph St., Chicago, IL), in conference room 8-032, and the Holiday Inn Mart Plaza, Sauganash Room, in conjunction with the Ameritech Change Management Process Meeting. Participants also attended the meetings via a conference bridge. Following are the minutes and action items from the meeting.

Mr. McClerren, ICC Staff, presided over the meeting.

August 16, 2000

I. Introductions

- A. Staff, Ameritech Illinois, CLECs, Other Parties
- B. Sign up sheet, with contact name, address, phone & e-mail address

II. Administrative Matters

- A. Meeting Procedures
 - 1. Subject Matter Experts (SMEs) participation recommended
 - 2. Discussions "off the record" until final positions are developed
 - 3. Final positions, decisions, agreements, disagreements, documents to be documented
 - 4. Business casual attire

III. Review and Approve Meeting Minutes From 7/11-12

The review and approval of the meeting minutes was postponed until 8/17 to allow additional time for parties to review the draft minutes.

IV. Proposed Penalty Mechanisms

(Note: To accommodate schedules, the proposed penalty mechanism was handled first, contrary to the agenda). The CLECs distributed a "CLEC Proposed Remedy Plan for Ameritech" document at the beginning of the meeting, which was a documentation of the CLECs unified position on the policy and guidelines of remedy plans. AT&T, CoreComm, McLeodUSA, WorldCom and Z-Tel participated in the joint effort to create a uniform CLEC

position on remedies. They are inviting more Illinois CLECs to participate in the finalization of a uniform CLEC stance on the issue. Sprint still supports its proposal presented at the July 11 collaborative, stating that they would not oppose the CLEC proposal, indicating that anything better than Ameritech's current plan would be preferable. However, John Idoux pointed out that they would rather have their proposal go through. It was noted that the document was an initial agreement, and that the contents are subject to change.

CLECs pointed out that the key difference between their proposed plan and the Texas plan was the way it calculated remedies past the first month of failure. In contrast with the Texas plan, the CLEC plan's remedies escalate with repeated failure and continue to escalate for the life of the plan. Ameritech's plan escalates with repeated failure, but remedies return to normal levels when Ameritech meets the performance measure standards in a subsequent month. The CLEC plan also contains some provisions similar to the Texas Plan and is not as complicated.

References were made to the calculation of the review threshold for total remedies in New York, and how the New York Public Service Commission raised the penalties for Bell Atlantic from the FCC's initial recommendation of 36 percent of total revenue to 44 percent of total revenue. The CLECs asserted that they would prefer the 44 percent of total revenue threshold, but that the threshold should be, at a minimum, 36 percent (representing \$361 million). In the SBC/Ameritech Illinois merger order, the current guidelines for remedies are an annual remedy cap of \$90 million once the performance measurements are implemented. Mr. McClerren referred to the Texas situation, and stated that the Illinois \$90 million cap was based on an access line allocation of the \$120 million cap in Texas. Mr. McClerren noted that the original cap for Texas was adjusted from \$120 million up to \$236 million before the Condition 271 application in Texas was approved. Ameritech supports the 36% cap as a hard cap.

Furthermore, the Z-test in the CLEC proposal was used for parity measures and not benchmarks. The authors of the proposal commented that the proposed remedy plan was designed with the goal of capturing the magnitude of impact on CLECs due to performance measure failures, and that the use of the modified z score balances the risk of false results between SBC/Ameritech Illinois and the CLECs.

The CLEC's proposal also differ with Ameritech's in the respect that they do not classify performance measures as "high", "medium" and "low". The CLEC proposal treats all performance measures as the same under the rationale that they believe different performance measures are significant to different CLECs, and would not like the measures to be "weighted". The CLEC plan does, however, provide for the higher impact of installation interval and missed due date measures.

Two tiers are used in the CLECs proposal for remedy payments. Tier I concerns the payment to individual CLECs and Tier II are payments to the state when Ameritech's poor performance affects the market as a whole. The lower the competition, the higher the pay

amount. Benchmarks are dealt with in pretty much the same manner, except Z-scores are not used. The chronic remedy plan contained in the document was adopted from Sprint's remedy plan. The proposal works in a manner that when Ameritech fails a measurement for a duration of time, succeeds for a month, and fails the measurement again, the remedy would pick up where it left off, rather than having the amount reset. This insures the CLECs that Ameritech will carry out their job, instead of having repeated intervals of failed measures.

Both CLECs and Ameritech have voiced that they would prefer to have a uniform 5 state plan instead of individual state plans. CLECs stated that they are willing to work with Ameritech on this subject, and the CLEC community will continue to work together in order to generate a joint plan for all five states.

Further discussion on the remedy plans and where they are going will take place during next month's Performance Measure collaboratives, which are scheduled to be held on September 19-20, 2000. An intermediary meeting to discuss the remedy plans are encouraged.

CLECs reiterated that although the remedy will serve as the primary guideline, if they feel like this is not enough, they have the right to resort to measurements under the interconnection agreement in addition to the remedy. CLECs will also follow up on their proposal and complete it; clarifying if their audit section pertains to state audit or regional audit.

V. Measure 70, Trunk Blocking Issues

Linda Samberg, SBC/Ameritech; Bill Werber, AT&T; Ken Smith, WorldCom; and Tim Cagle, Time Warner; all SMEs on trunking, attended the trunk blocking issues discussion.

Measure 70 currently measures the percentage of call blocking, with parity to retail, and standard calculation is used for 20 day months. Ameritech stated that the reason they were linking call blocking instead of trunk blocking in this issue was because the performance measure's intention was to evaluate on the basis of call completion, rather than the design of the trunk. The measurement takes place for end trunks at the tandem level, as opposed to the end office to CLEC end office trunk. This is because blocking can only occur at the tandem level. When there is high usage between end offices, the volume simply overflows to the tandem. CLECs and Ameritech had a basic disagreement on the intention of the measure. Ameritech believes that the measurement is in place to indicate that Ameritech is providing good service for call completion. CLECs believes that the data should be utilized to pinpoint malfunctions in trunk. The current performance measure would not have problem statistics arise if figures are derived over the whole city, instead of trunk by trunk. AT&T suggested that they want the measure to be kept on a trunk group basis, and would be willing to be flexible with the remedy. The remedy would be based on specific trunk groups and whether or not their performance meets certain thresholds. CLECs also suggested that they would like the measure to have a 3 month duration on the

reports, so trends can be identified and if there is a problem that gets fixed in a timely manner, things would be fine.

Linda Samberg and Sal Fioretti, as well as Karen Kinard of WorldCom, have agreed to provide a business rule proposal on this measure by the next meeting. Remedies would be applied accordingly, based on the analysis of the broad 3 month scope of data.

VI. Status of SBC/Ameritech Waiver Request (FOC Issue)

There was no off-line progress reported on this issue. Accordingly, the following schedule still pertains:

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|----|----------------------------------|---|--------------|
| A. | SBC/Ameritech Direct Testimony | - | August 25 |
| B. | Staff/Intervenor Testimony | - | September 22 |
| C. | SBC/Ameritech Rebuttal Testimony | - | October 20 |
| D. | Hearings | - | November 2 |

The 12 month view for development, with 3 items that are specific to flow through, are available. Some planned enhancements to flow through include DSL and platform. CLECs have requested a FOC issue schedule.

VII. Gaining Access to Performance Measures

Ameritech filed a tariff with performance measures and business rules on July 28, 2000. A group filing will take place after additions are implemented.

SBC/Ameritech has informed the group that they are planning to move the CLEC online website to a bigger server. Mr. Fioretti hopes to have a schedule for when the server move will take place.

Mr. Fioretti will also follow up on whether Ameritech will continue to keep its position on CLECs having to sign the interconnection amendment in order to view the remedy plan. CLECs asserted that they are not looking to give a "double hit". Ameritech pointed out that there were changes to some performance measures on the website. In response to AT&T's request, Mr. Fioretti promised to provide notification when changes were made. To date, only Focal has signed an amendment to its interconnection agreement.

Mr. Fioretti notified the group that he was struggling with the geographic disaggregation of specials and UNEs. Geographic disaggregation for these products won't be available this month. Ameritech will wait 3 months to accumulate data before they distribute the information.

CLECs stated that they are interested in getting information about the tier 2 reports. Mr. Fioretti indicated he was not sure the number will be public, but he will check for next meeting.

SBC/Ameritech will be following up on if performance measure 94 will be changed to look like measure 5.

IX. Geographic Disaggregation

Mr. Fioretti provided a table on geographic disaggregation, that included information such as central office, key exchanges, etc. Illinois is divided into four main geographic regions: South, North Central, Chicago, and Chicago Suburban.

August 17, 2000

The meeting minutes from July 11-12, 2000, were reviewed and approved with additional input from Karen Kinard of WorldCom on the remedy plan discussion.

X. Draft Business Rules for Performance Measures 55 - 122

Mr. Fioretti will be distributing the business rules for performance measures 24 - 54 by August 25, 2000. Mr. Fioretti expressed that he would like to be able to present a composite of Illinois, Ohio and Michigan. The document will include Michigan standards, except for the 911 measures. It was agreed to that CLECs will have a conference call to determine their stance on the document, and that there would be a clarification call for all parties on September 15.

XI. Set Interim September Dates, As Well As October Meeting Dates

A CLEC call will take place on September 8, 2000, on 8:30 AM, depending on the outcome of the Ohio collaborative session. Bob Klipstein from AT&T will organize the setup of the conference bridge.

CLECs will submit documents and comments to Mr. Fioretti by September 12, 2000. A call between the CLECs and Mr. Fioretti will take place on September 15, 2000, from 9:00 AM to 10:00 AM. The next performance measure meeting will be on September 19-20, 2000. October meeting dates have been set for October 17-18, 2000.

XII. Business Rules for Performance Measures 27 - 54

27

Ameritech indicated that they can not change business days to calendar days because their policy is not to install on weekends. Weekends are only used sometimes to catch up on orders. Mr. Fioretti will follow up if weekends completions are either counted as Friday or Monday. AT&T asserted that they wanted the weekends dealt with in the same manner that retail counts them, because it is a parity measure. Sprint stated that they have a problem if Saturday completions are counted as Friday, but okay if Saturday completions are counted as Monday. AT&T would like the audits to indicate

Saturday completions, because otherwise, the data for the performance measure would be skewed. If products are ordered beyond offered dates, Mr. Fioretti stated that it would be excluded from the data.

AT&T requested that there be disaggregation between business and residence for UNE combo. Sprint asked that if Ameritech is unable to disaggregate between business and residence, that they make the business/residence field optional. Mr. Fioretti will follow up on this suggestion and figure out the implications of this practice.

As for Centrex resale, it has unique provisioning and characteristics, and Mr. Fioretti pointed out that he needs to clean up the business rules for consistencies. The disaggregation for Centrex resale is unique as well.

28

Mr. Fioretti has asked for more time to do additional investigation on this performance measurement. He will come back to this measurement on the September 19th meeting, and have an accurate understanding of the measurement before he agrees to it.

29

CLECs stated that they are okay with Mr. Fioretti revisiting this performance measure six months down the road.

30

Mr. Fioretti would like to wait until the Ohio collaborative sessions to discuss facility modification. Mr. Fioretti will be following up with revised language for the CLEC's request.

31

Mr. Fioretti would like to clean up some of the language pertaining to this performance measure.

32

Mr. Fioretti would like to work on the language of this measure.

33

No new advances in the performance measure.

34

Ameritech has agreed to carry out geographical disaggregation for this performance measure.

35

Ameritech stated that they do not mind the change of 10 days to 30 days.

35.1

Mr. Fioretti pointed out that conversions of customers to UNE-P is a mere record change, and there is no field work or central office work involved. Troubles that occur during this change would only be coincidental. Mr. Fioretti will be following up on the basis and rationale as to why Texas agreed to the measure.

38

Specific back end systems will be edited so there will be no need for constant update.

40

Because these business rules are from Texas, Ameritech will be modifying them to suit Illinois. Ameritech also stated that they can not and will not provide better service than they give retail because it is a parity measure. Ameritech is looking to hire 200 additional outside plant technicians.

Additional debate was carried out about what actions CLECs were supposed to carry out if huge discrepancies existed between performance measures for CLECs and Ameritech affiliates. CLECs have stated that they would like to be able to evaluate the severity of the discrepancies by themselves, with raw data provided by Ameritech. Ameritech's main concern with providing raw data is with proprietary issues. References were made to Texas, where they will be showing affiliate data in the near future. Mr. Fioretti has agreed to go back and look at the issue, but feels that he will not be coming up with a new proposal.

XIII. Change Management Forum

Several members went to the Change Management Forum to hear implementation plans on the firm order confirmation process.